



HOWARD COUNTY, MARYLAND
DEPARTMENT OF FINANCE
DIVISION OF TAXPAYER SERVICE
P.O. BOX 3370
ELLICOTT CITY, MD 21041-3370

TAX DEFERRAL INFORMATION AND INSTRUCTION SHEET

The Annotated Code of Maryland, Tax-Property Article Section 10-204 provides for a deferral of County Property Tax to be granted upon application for residential Real Property occupied as the principal residence of the owner.

INFORMATION

This application is filed in accordance with Section 20-125 of the Howard County Code. This section provides for a deferral of county residential Real Property tax. Application must be received with requested documentation by September 1 of the current taxable year and meet required guidelines to qualify.

Eligible Property Owners

The combined gross income of all individuals who actually reside in the dwelling, except for a dependent of the homeowner or any individual residing in the home who pays a reasonable amount for rent or room and board must not exceed \$75,000. Gross income for this purpose is defined in 9-104 of the Property Tax Article of the Annotated Code of Maryland (see Income Defined Section)

In addition, one or more of the homeowners of the residential property must have:

1. Resided in the dwelling for a period of at least five years.
2. Qualify under one of the following criteria:
 - a. Is at least 65 years of age **(please provide a copy of your birth certificate, drivers license or other proof of age)**
 - b. Is permanently disabled and qualifies for benefits under: (enclose letter from agency)
 - i. Social Security Act
 - ii. Railroad Retirement Act
 - iii. Any federal act for members of the United State Armed Forces
 - iv. Any federal retirement system
 - c. Is certified to be permanently and totally disabled by a County Health Officer (enclose letter from Health Officer attesting to the disability)

Eligible Property

The level of property size deemed eligible for payment of deferral is the dwelling and acreage assigned to the home as determined by the Supervisor of Assessments for Howard County.

Amount of Payment Deferral

The amount deferred is determined by the County's current year Property Taxes due which exceed the amount of County's Property Tax paid by the homeowner in the preceding year.

Interest on Deferred Amount

There is no interest charged on the deferred amount.

Notice of Lien

A lien shall attach to the property in the amount of deferred tax and interest (if any) and shall remain until deferred tax is paid. The agreement shall be recorded in the land records of Howard County and all costs of recording the document shall be incurred by the applicant. Any mortgagee or beneficiary under a deed of trust will be notified of the deferral and the amount of tax being deferred.

Real Property Tax Bills

All County Real Property Tax not deferred is due and payable, subject to the same interest rate as all other County Property Tax bills. The annual tax bill shall show the cumulative amount of the deferral and accrued interest as of the date of the billing.

Termination of the Payment Deferral

The total amount of County Property Tax deferred is due and payable when any one of the following occurs:

1. The eligible homeowner ceases to own the property. This could occur when a property is sold but could also occur when the eligible homeowner dies and the surviving joint owner is not eligible, i.e. 65 or disabled.
2. The eligible homeowner ceases to occupy the property as the principal place of residence.
3. The property becomes subject to Tax Sale.
4. The eligible homeowner fails to submit a timely application for deferral. For example, if an inheritance or other windfall occurs which increases income for one year only, all previously deferred tax would be due and payable. The homeowner could apply for the deferral again in the following year assuming their income is once again within the required limit.

A homeowner may end a deferral at any time by giving written notice to the Director of Finance and paying the deferred tax and accrued interest (if any).

INSTRUCTIONS

Income Defined

For purposes of the tax deferral program, it is emphasized the applicant must report total income which means the combined gross household income before any deductions are taken. Income information must be reported for the applicant, spouse or co-owner and all other occupants of the dwelling unless such other occupants were claimed as dependents on the applicant's federal income tax return or unless they are paying reasonable fixed charges, such as rent or room and board. Payment of household expenses by other occupants should be reported as room and board. If other occupants are not dependents and are not being charged rent or room and board, you must include their total gross income. Your spouse and all owners on the deed who reside in the dwelling must report their gross income.

"Gross Income" means the total income from all sources for the calendar year that immediately proceeds the taxable year, whether or not the income is included in the definition of gross income for federal and state tax purposes.

"Gross income" includes:

1. Any benefit under the Social Security Act or the Railroad Retirement Act.
2. The aggregate of gifts over \$300.
3. Alimony.
4. Support money.
5. Any nontaxable strike benefit.
6. Public assistance received in a cash grant.
7. A pension.
8. An annuity.
9. Any unemployment insurance benefit.
10. Any workers' compensation benefit.

11. The net income received from a business, rental, or other endeavor.
12. Any rent on the dwelling, including rent from a room or apartment.

“Gross Income” does not include:

1. Any income tax refund received from the state or federal government.
2. Any loss from business, rental or other endeavor.

Copy of Federal Tax Return

If you file a federal income tax return, you must furnish a photocopy of your completed federal return, including all accompanying schedules and other forms with this application. If income was derived from a partnership or corporation, a copy of the partnership return (form 1065 including schedule K-1) and/or a copy of the corporate return (Form 1120 or 1120S, including Schedule K-1) must also be included. If separate returns were filed by married spouses, then a copy of each must be included.

Time and Place for Filing

The deadline for filing this application is September 1, 2017. For the property tax year beginning July 1, 2017, please pay the full 1st installment in a timely manner to avoid interest charges. Once approved, your deferral will be applied toward your 2nd installment or refunded if your bill has been paid in full. However for future year’s processing, once it has been determined the application submitted has been completed in accordance with policy guidelines by May 1st and your signed Deferral Agreement is returned to Howard County by June 1st, the tax deferral will be deducted on your July 1 bill.

Please mail your completed application along with proof of age, a copy of your federal return and schedules to:

**HOWARD COUNTY MARYLAND
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ATTN: TAX DEFERRAL
P.O. BOX 3370
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Income Verification

In certain individual cases only, a secondary request may be made to submit additional documentation or other items of evidence in an effort to verify income as a means to substantiate information provided on application submitted. Please be advised, an application is always subject to an audit at any time.

INFORMATION AND ASSISTANCE

For information and assistance, call 410-313-4076 between the hours of 8am and 5pm Monday – Friday. If you reach Voice Mail and are requesting that an application be mailed, please leave your name and address or name and parcel number. All other inquiry calls will be returned within 2 business days.

PRIVACY NOTICE

The principal purpose for which this information is sought is to determine your eligibility for a tax deferral. Pursuant to state law, information about your finances, including your assets, income, liabilities, or net worth, cannot be disclosed by county officials, unless required by court order. In addition, tax information required in a federal return that is included in a state return may not be disclosed by any county employee unless that employee by reason of office has a right to tax information or unless required by court or legislative order.